

# CRS Report for Congress

.Received through the CRS Web

## **Recruiting and Retention: An Overview of FY2004 and FY2005 Results for Active and Reserve Component Enlisted Personnel**

**Updated June 30, 2005**

Lawrence Kapp  
Specialist in National Defense  
Foreign Affairs, Defense, and Trade Division

Report Documentation Page				Form Approved OMB No. 0704-0188	
Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.					
1. REPORT DATE <b>30 JUN 2005</b>		2. REPORT TYPE <b>N/A</b>		3. DATES COVERED <b>-</b>	
4. TITLE AND SUBTITLE <b>Recruiting and Retention: An Overview of FY2004 and FY2005 Results for Active and Reserve Component Enlisted Personnel</b>				5a. CONTRACT NUMBER	
				5b. GRANT NUMBER	
				5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S)				5d. PROJECT NUMBER	
				5e. TASK NUMBER	
				5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) <b>Congressional Research Service The Library of Congress 101 Independence Ave SE. Washington, DC 20540-7500</b>				8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)				10. SPONSOR/MONITOR'S ACRONYM(S)	
				11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION/AVAILABILITY STATEMENT <b>Approved for public release, distribution unlimited</b>					
13. SUPPLEMENTARY NOTES					
14. ABSTRACT					
15. SUBJECT TERMS					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT <b>SAR</b>	18. NUMBER OF PAGES <b>16</b>	19a. NAME OF RESPONSIBLE PERSON
a. REPORT <b>unclassified</b>	b. ABSTRACT <b>unclassified</b>	c. THIS PAGE <b>unclassified</b>			

# Recruiting and Retention: An Overview of FY2004 and FY2005 Results for Active and Reserve Component Enlisted Personnel

## Summary

This report provides a brief overview of the recruiting and retention rates for Active and Reserve Component enlisted personnel during FY2004 and the first eight months of FY2005. Since the September 11, 2001 attacks on the World Trade Center and the Pentagon, the United States has launched several major military operations which have dramatically increased the operations tempo of the military services, required the large scale mobilization of reservists, and resulted in significant battle casualties. These factors have been particularly applicable to the Army, Army Reserve, and Army National Guard which have shouldered the bulk of the manpower burden associated with the occupation of Iraq. The Marine Corps and Marine Corps Reserve have also been heavily involved in Iraq. Many observers have expressed concern that these factors might lead to lower recruiting and retention rates, thereby jeopardizing the vitality of today's all-volunteer military. Recruiting and retention results for FY2004 and FY2005 to date are summarized below. This report will be updated as necessary.

**FY2004 — Active Components.** In FY2004, recruiting and retention rates for Active Component enlisted personnel remained generally strong, although there were some areas of concern. One area of concern was Army recruiting. The Army met its FY2004 goal for shipping new recruits to basic training, but it drew heavily upon its "Delayed Entry Program" to do so. Retention for all the Active Components was generally strong in FY2004.

**FY2004 — Reserve Components.** During 2004, enlisted recruiting and retention rates for most of the Reserve Components remained strong, although there were some significant exceptions — most notably with respect to Army National Guard recruiting. The Army National Guard experienced a substantial shortfall in meeting its recruit quantity goal in FY2004, while also failing to meet both of the DoD recruit quality benchmarks. The Air National Guard also fell short of its recruiting quantity goal in FY2004.

**FY2005 — Active Components.** Concerns about the strength of Army recruiting have grown in FY2005, especially during the past few months, as the Army missed its goal for shipping new recruits to basic training from February to May by significant margins and fell slightly below one of the key DoD recruit quality benchmarks. Retention has remained generally strong for the Active Components, although the Army is slightly below its goal for retention among first term and mid-career soldiers, and the Navy is slightly below goal for mid-career personnel.

**FY2005 — Reserve Components.** The Army National Guard has continued to experience substantial recruiting difficulties, and recruiting shortfalls for the Air National Guard have increased. Recruiting shortfalls have also surfaced in the Army Reserve and Naval Reserve. However, retention rates have remained strong, although the Army National Guard and Naval Reserve saw slight increases in the number of people leaving compared with FY2000 and FY2004.

## Contents

Recruiting .....	1
Active Components .....	2
Reserve Components .....	4
Analysis .....	5
Retention .....	7
Active Components .....	7
Reserve Components .....	8
Analysis .....	8
Options for Congress .....	9

## List of Tables

Table 1: Accession Data (Quantity) for Active Component Enlisted Personnel, FY2004 and FY2005 .....	11
Table 2: Accession Data (Quality) for Active Component Enlisted Personnel, FY2004 and FY2005 (Non-Prior Service Enlistees only) .....	11
Table 3: Recruiting Data (Quantity) for Reserve Component Enlisted Personnel, FY2004 and 2005 .....	12
Table 4: Recruiting Data (Quality) for Reserve Component Enlisted Personnel, FY2004-2005 (Non-Prior Service Only) .....	12
Table 5: Active Component Enlisted Retention Data, FY2004 and FY2005 ...	13
Table 6: Reserve Component Enlisted Attrition Data for FY2004 and 2005 ...	14

# Recruiting and Retention: An Overview of FY2004 and FY2005 Results for Active and Reserve Component Enlisted Personnel

This report provides a brief overview of the recruiting and retention rates for Active and Reserve Component<sup>1</sup> enlisted personnel during FY2004 and the first eight months of FY2005. Since the September 11, 2001 attacks on the World Trade Center and the Pentagon, the United States has launched several major military operations which have dramatically increased the operations tempo of the military services, required the large scale mobilization of reservists, and resulted in significant battle casualties. These factors have been particularly applicable to the Army, Army Reserve, and Army National Guard which have shouldered the bulk of the manpower burden associated with the occupation of Iraq. The Marine Corps and Marine Corps Reserve have also been heavily involved in Iraq. Many observers have expressed concern that these factors might lead to lower recruiting and retention rates, thereby jeopardizing the vitality of today's all-volunteer military.

## Recruiting

Recruiting has been called the life blood of the military. Without a robust ability to bring new members into the military, it would lack sufficient manpower to carry out mission essential tasks in the near term and would lack a sufficient pool of entry-level personnel to develop into the mid-level and upper-level leaders of the future. To protect against this, the Active and Reserve Components set goals for new recruit "accessions"<sup>2</sup> each year. Officer and enlisted goals are set separately. There are both "quantity"<sup>3</sup> and "quality"<sup>4</sup> goals.

---

<sup>1</sup> The term "Active Components" refers to the Army, Navy, Air Force, and Marine Corps. The term "Reserve Component" refers to the seven individual reserve components of the armed forces: the Army National Guard of the United States, the Army Reserve, the Naval Reserve, the Marine Corps Reserve, the Air National Guard of the United States, the Air Force Reserve, and the Coast Guard Reserve. This report, however, does not provide recruiting and retention data for the Coast Guard Reserve, which normally operates as part of the Department of Homeland Security, rather than the Department of Defense.

<sup>2</sup> In the case of the Active Component, "accessions" are individuals who have actually begun their military service, as distinguished from those who have signed a contract to serve but who have not yet begun their service. Accession for Active Component personnel usually occurs when an individual is "shipped" to basic training. For the Reserve Components, the term has a broader meaning; accession can occur shortly after an individual signs a contract, when he or she is "shipped" to basic training, or when they are transferred from an Active Component to a Reserve Component.

<sup>3</sup> This quantity goal is based primarily on the difference between the congressionally (continued...)

## Active Components

The recruiting data presented in **Table 1** (all tables are at the end of this report) show that all of the Active Components met their enlisted accession *quantity* goals in FY2004. However, it is important to note that in FY2004 the Army achieved its accession quantity goal in part by drawing heavily from its Delayed Entry Program (DEP), the pool of newly contracted recruits who are waiting to be shipped to basic training.<sup>5</sup> Typically, the Army likes to have about 35% of the coming year's accession goal enrolled in the DEP; but by the end of FY2004 the Army's DEP was reduced to about 18% of its FY2005 accession goal. One reason for this reduction in the size of the DEP was the decision to increase the size of the Army in early 2004,<sup>6</sup> which created a need to send more people to basic training than had previously been planned; another reason was that the Army missed its FY2004 goal for new recruit contracts by 15%,<sup>7</sup> thus undermining its ability to refill the DEP.

---

<sup>3</sup> (...continued)

authorized end strength of the Component for a given fiscal year and the projected number of currently serving personnel that Component will retain through the end of the year. Officer and enlisted accession goals are set separately. To simplify somewhat, if a Component has an authorized end strength of 200,000 enlisted personnel in a given year, and it projects that it will retain 175,000 of its current enlisted members through the year, it will set a goal of bringing in approximately 25,000 new enlisted recruits for that year (actually, the goal will be slightly higher to account for those new recruits who are discharged early, usually while in initial entry training). The actual number of new enlisted recruits a Component needs, however, may change during the year as new projections are made about the retention of currently serving enlisted personnel or if the Component must increase or decrease the total size of its force.

<sup>4</sup> DOD measures enlisted recruit "quality" based on two criteria: graduation from high school and score on the Armed Forces Qualification Test (AFQT). Since FY1993, DOD's benchmarks for recruit quality stipulate that at least 90 percent of new recruits must be high school diploma graduates and at least 60 percent must score above average on the AFQT.

<sup>5</sup> The DEP is made up of those individuals who have signed a contract to join the military at a future date, up to one year in advance, but who have not yet "shipped" to basic training.

<sup>6</sup> The National Defense Authorization Act for FY2004 (P.L. 108-136, section 401) authorized an end-strength of 482,400 for the Army, up from 480,000 in FY2003. In January, 2004, the Chief of Staff of the Army, General Peter Schoomaker announced that Secretary of Defense Donald Rumsfeld had authorized a temporary increase in Army strength up to 512,400 in order to facilitate restructuring of the Army. Subsequently, the Army increased its goal for new accessions in FY2004 from 72,500 to 77,000. The Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (P.L. 108-375, sections 401 and 403), authorized an end-strength for the Army of 502,400 and provided the Secretary of Defense with the authority to increase Army end-strength to 512,400 during FY2005-2009 in order to support Army transformation efforts and ongoing operations in Iraq and Afghanistan.

<sup>7</sup> The Army's goal for new enlistment contracts in FY2004 was 90,222. The actual number of new contracts it achieved was 76,656, a shortfall of 13,566. While the standard measure of recruiting success for the various Components is the achievement of their accessions goals, the ability to achieve contract goals is often seen as a "leading indicator" of recruiting strength or weakness.

At the start of FY2005, the relatively low level of the Army's DEP and the Army's increased accession goal of 80,000<sup>8</sup> generated concern that it would have difficulty achieving its quantity goal. The Army planned to meet this challenge by increasing the size of its recruiting force by nearly 20% and by offering more generous enlistment incentives. As **Table 1** indicates, however, the Army has only met 83% of its accessions quantity goal for the period of October, 2004, through May, 2005. While the Army met its monthly accession goals from October through January, it fell short from February through May. If the Army hopes to meet its overall accession goal for FY2005, it will either need to dramatically improve its recruiting from June through September, or it will need to draw down its DEP still further. (Recent media reports indicate that the Army exceeded their accession goals in June; however, there is insufficient data at this time to determine the significance of this).<sup>9</sup> If the Army elects to draw down its DEP to meet FY2005 accession goals, it could have a negative impact on the Army's ability to meet its accession goals in FY2006 and to manage the flow of new recruits through the training base.

These recruit quantity shortfalls have undercut the Army's efforts to increase the size of its Active Component force.<sup>10</sup> In April, 2004, there were 411,224 enlisted personnel in the Army. This number increased to a high of 414,438 by September, 2004, but has since declined to 405,972 as of April, 2005.<sup>11</sup>

The recruiting data presented in **Table 2** show the performance of the Active Components with respect to DOD enlisted accession *quality* benchmarks. The two principal DOD quality benchmarks are the percentage of non-prior service enlistees who are high school diploma graduates (HSDG) and the percentage who score above average on the Armed Forces Qualification Test (AFQT Categories I-III A). All of the Active Components exceeded the DOD quality benchmarks in FY2004, often by significant margins, and three of them continued to do so in FY2005. However, the Army fell slightly below the DoD benchmark for high school diploma graduates as of May, 2005.<sup>12</sup> While this is a very small shortfall, it will likely raise concerns that weak Army recruiting is impacting not just the size of the Army but its quality as well.

---

<sup>8</sup> As compared to the Army's FY2004 accession goal, which was originally 72,500, but was increased mid-year to 77,000. See footnote 6.

<sup>9</sup> According to one report, the Army had a goal of 5,650 new accessions for June, and achieved 6,150 (109% of goal). However, it is unclear from the article how much of this was the result of improved recruiting success, as opposed to drawing down the DEP. Also, no data on the quality of the recruits was provided. The report also indicated that the Army Reserve exceeded its June goal of 3,610 new accessions by 50. Josh White, "Army Surpasses Recruiting Goal But Says Much Work Remains," *Washington Post*, May 30, A5.

<sup>10</sup> See footnote 6.

<sup>11</sup> Department of Defense, Directorate for Information Operations and Reports, available at [<http://web1.whs.osd.mil/mmids/military/ms1.pdf>].

<sup>12</sup> Past recruit quality data available at [<http://www.dod.mil/prhome/docs/recqual04.pdf>]. Past recruit quantity data available at [<http://www.dod.mil/prhome/docs/numgoals04.pdf>].

## Reserve Components

The recruiting data show that most of the Reserve Components met their enlisted quantity goals in FY2004 (see **Table 3**). The exceptions were the Army National Guard, which missed its quantity goal by about 13% in FY2004, and the Air National Guard, which missed its quantity goal by about 6% in FY2004. While the Air National Guard's shortfall was an area for concern, the Army National Guard's recruiting problem was more serious because its shortfall was much larger and followed its failure to meet its quantity goal in FY2003.<sup>13</sup>

Overall, recruit quantity shortfalls for the Reserve Components have increased during the first eight months of FY2005. The Army National Guard is currently 24% below its year-to-date goal, while the Air National Guard is 20% below its year-to-date goal. Recruit quantity shortfalls also surfaced in the Army Reserve (26% below goal) and Naval Reserve (12% below goal).<sup>14</sup> The Naval Reserve shortfall must be assessed in light of current Navy plans to reduce the size of the Naval Reserve,<sup>15</sup> but the shortfall for the Army Reserve is certainly a cause for concern, owing to the magnitude of the shortfall and in light of the recruiting difficulties faced by the Army and Army National Guard.

These recruiting shortfalls will make it extremely difficult for the Army Reserve and Army National Guard to achieve the end-strength levels authorized by Congress for FY2005.<sup>16</sup> As of April 2005, the actual personnel strength of the Army National Guard was 331,446 — about 95% of its FY2005 authorized end-strength of 350,000. The actual strength of the Army Reserve was 196,132 in April, 2005 — about 96% of its FY2005 authorized end-strength of 205,000.<sup>17</sup>

<sup>13</sup> The Army National Guard fell short of its recruit quantity goal of 62,000 by 7,798, or 13%, in FY2003. It exceeded its goal of 60,504 by 2,747, or 5%, in FY2002.

<sup>14</sup> See footnote 10 for information on Army Reserve recruiting in June.

<sup>15</sup> The authorized end-strength for the Naval Reserve in FY2005 is 83,400 (2,500 less than it was in FY2004). According to the *Department of the Navy Fiscal Year 2007/2007 Budget Estimates*, "The Navy Reserve is currently assessing its FY-05 execution in light of planned reductions in FY-06 and may end the year below authorized end-strength." The document also stated "The FY2006-07 Reserve Personnel, Navy budget ...will support a Selected Reserve end- strength of 73,109 and 71,165 personnel, respectively, in a paid status."

<sup>16</sup> The term "end-strength" refers to the authorized strength of a specified branch of the military at the end of a given fiscal year. (The term authorized strength means "the largest number of members authorized to be in an armed force, a component, a branch, a grade, or any other category of the armed forces"). The Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 stipulated an authorized strength for the Army National Guard of 350,000 as of September 30, 2005. (P.L. 108-375, sec. 411, October 28, 2004). While end-strengths for the reserve components are maximum strength levels, not minimum strength levels, the inability to maintain a force at the authorized end-strength level can be an indicator of strength management problems.

<sup>17</sup> Figures include both officer and enlisted personnel. The strength of the Naval Reserve in April, 2005, was 77,953 — 93% of its authorized end-strength for FY2005 of 83,400 — but the Navy plans to reduce the size of the Naval Reserve substantially over the next two years

(continued...)



The recruiting data also show that most of the Reserve Components exceeded DoD quality benchmarks in FY2004 and FY2005 (see **Table 4**). Most of the Reserve Components exceeded the HSDG and AFQT benchmark in FY2004 and to-date in FY2005, often by significant margins. However, the Army National Guard failed to meet either goal in FY2004 and to-date in FY2005.

## Analysis

There are several likely causes of these recruiting shortfalls. One factor that can have a powerful impact on military recruiting is the state of the economy. Military recruiting is generally easier in times of high unemployment and more difficult in times of low unemployment. Historical data indicate that unemployment has been dropping in recent years, falling from 6.0% in 2003 to 5.1% as of May, 2005.<sup>18</sup> Institutions of higher education also compete with the military for manpower. Over the past twenty five years, the proportion of high school graduates going directly on to college has increased from about half to about two-thirds.<sup>19</sup> This historically high proportion of college-bound youth reduces the size the pool which military recruiters have traditionally targeted: young people who have recently graduated from high school.

However, while these factors contribute to a challenging recruiting environment in general, it is important to recognize that recruiting shortfalls are most severe in the Army and its Reserve Components — the Army Reserve and the Army National Guard. Thus, in addition to broad social and economic forces which are likely having a dampening effect on recruiting generally, there are also other factors which appear to be undercutting recruiting for the *Army* in particular.

One factor likely affecting recruiting for the Army, Army Reserve, and Army National Guard is the major role they are playing in the Iraq conflict. Recent survey research indicates that the certain segments of the adult population — especially women and African Americans — have become less likely to recommend military service to young people since the war in Iraq began.<sup>20</sup> As a major source of recruits

---

<sup>17</sup> (...continued)

(see footnote 16). The Marine Corps Reserve is at 101% of authorized end-strength for FY2005, while the Air National Guard and the Air Force Reserve are just over 99% of their authorized end-strengths. All references to end-strength in this paragraph are for the Selected Reserve elements of the respective Reserve Components.

<sup>18</sup> Department of Labor, Bureau of Labor Statistics, available at [<http://www.bls.gov/>]

<sup>19</sup> Department of Education, *Digest of Education Statistics: 2003*, Table 186.

<sup>20</sup> For example, in a November 2002 survey, 60% of the men and 54% of the women surveyed indicated that they would recommend military service to a young person who came to them for advice. By May 2004, those figures had dropped to 57% for men and 37% for women. Also in the November 2002 survey, 59% of white respondents, 53% of African American respondents, and 51% of Hispanic respondents indicated they would recommend

(continued...)

for the Army and its Reserve Components are young people without prior military service (primarily those who have recently graduated from high school), negative attitudes towards military service among those adults who are youth “influencers”<sup>21</sup> can have a powerful effect. There have been reports that Army recruiters are having difficulty signing up high school seniors, especially those below the age of 18, who require parental consent to enlist. Even among those old enough to enlist without parental consent, opposition to military service by parents or other influencers may discourage them from joining.<sup>22</sup>

Another factor affecting recruiting for the Army and its Reserve Components is the ongoing efforts to increase the size of its Active Component. In order to expand, the active Army has increased its goal for new recruits from 73,800 in 2003 to 80,000 in 2005, thus providing active Army recruiters with a goal that is more difficult to reach. Additionally, this affects Army Reserve Component recruiting as well, as the active Army is now competing more vigorously with the Army Reserve and Army National Guard for some of the same potential recruits.

The comparatively high rates of mobilization in the Army Reserve Components in recent years may also be undercutting their recruiting efforts. A major source of recruits for both the Army Reserve and the Army National Guard is people leaving the active Army. These are people who want to embark on a civilian career but still wish to maintain their military affiliation and certain military benefits. However, the flow of enlisted personnel from the active Army to the Army National Guard decreased in recent years, dropping from 6,275 in FY2002 to 3,104 in FY2004. This may be partially due to concerns about being promptly called back to active service via mobilization orders and deployed to Iraq, Afghanistan, or some other location. On the other hand, this explanation is weakened by data showing that the number of people transferring from the active Army into the Army Reserve actually increased during this time frame, from 2,951 to 3,472.<sup>23</sup>

---

<sup>20</sup> (...continued)

military service to a young person who came to them for advice. By May 2004, the figures had changed to 47% for white respondents, 28% of African American respondents, and 56% for Hispanic respondents. See *Mothers' Attitudes Towards Enlistment*, produced by the Department of Defense's Joint Advertising, Market Research, and Studies Program, May 2004.

<sup>21</sup> Influencers are those adults who regularly interact with youth, such as parents, coaches, teachers, and mentors.

<sup>22</sup> See for example: *Washington Post*, “Schools and Military Face Off,” June 19, 2005, A3; *New York Times*, “Growing Problems for Military Recruiters: Parents,” June 3, 2005, A1; *USA Today*, “Army and Marines Shift Focus to Wary Parents,” April 5, 2005, A1.

<sup>23</sup> However, the Army Reserve's increase may be related to recent improvements in its ability to offer desirable positions and schooling to prospective recruits. Additionally, as the Army National Guard has a heavy concentration of combat units, while the Army Reserve is largely made up of combat support and combat service support units, potential recruits may view the Army Reserve as a safer option. Transition figures from Reserve Component Transition Branch, Army Human Resources Command.

## Retention

The term retention refers to the rate at which military personnel voluntarily choose to stay in the military after their original obligated term of service has ended.<sup>24</sup> Imbalances in the retention rate can cause problems within the military personnel system.<sup>25</sup> A common retention concern is that too few people will stay in, thereby creating a shortage of experienced leaders, decreasing military efficiency and lowering job satisfaction.

### Active Components

The retention data presented in **Table 5** show that the Active Components met or exceeded nearly all their goals for enlisted personnel in FY2004, although there were some shortcomings. The Navy failed to meet its retention goal for “Zone A” sailors (those with fewer than six years of service) by about two percentage points and the Air Force failed to meet its retention goal for second term airmen by about five percentage points. The Air Force’s inability to meet its retention goal for airmen serving in their second enlistment was part of a longer term trend. It had fallen short of this goal for seven of the previous eight years, by four to six percentage points each year.<sup>26</sup>

So far, the data for FY2005 show that the Marine Corps is far exceeding its enlisted retention goals, and the Navy is meeting or exceeding two of its goals, while falling just short of its Zone B goal. The Army — whose retention goal for FY2005 is 14% higher than it was in FY2004 — is falling short in two out of three categories, achieving 129% of its retention goal for career enlisted personnel, but only achieving 94% of its retention goal for first term enlistees and 97% of its goal for mid-career enlisted personnel. Nonetheless, these retention rates have been improving as the year has progressed, and the Army often produces strong retention results in the last quarter of the fiscal year, so it is quite possible the Army will achieve its FY2005 retention goals by the end of the year. The Air Force is 18 percentage points below

---

<sup>24</sup> The obligated term of service for enlisted personnel is determined by their initial enlistment contract. The normal service obligation incurred is eight years, which may be served in the Active Component, in the Reserve Component, or some combination of both. For example, an individual may enlist for four years of service in the Active Component, followed by four years of service in the Reserve Component. See 10 USC 651 and DOD Instructions 1304.25.

<sup>25</sup> If too few people stay in, the military will suffer from a lack of experienced leaders, decreased military efficiency and lower job satisfaction. If too many people stay in, promotion opportunities decrease and a higher percentage of people must be involuntarily separated in order to prevent the organization from becoming “top heavy” with middle and upper level leaders. Each of these outcomes, in turn, can have a negative impact on recruiting by making the military a less attractive career option.

<sup>26</sup> The Air Force missed its goal for 2<sup>nd</sup> term airmen in FY97-01, and FY03-04. It surpassed its goal of 75% only in FY02, when it achieved a 78.3% retention rate. Some have argued that these shortfalls are harming the Air Force’s ability to fill key mid-level leadership positions. Alternatively, it could be that the goal is not tightly linked with projected position vacancies and, therefore, is less meaningful for analytical purposes.

goal for second term airmen, far below its normal retention level in this category; but this low retention rate should be viewed in light of ongoing “force shaping” initiatives in the Air Force.<sup>27</sup>

## Reserve Components

The Department of Defense tracks Reserve Component retention via attrition rates. Attrition rates are a measure of the ratio of people who leave the reserves in a given year; they are the inverse of retention rates, which measure the ratio of people who stay in the service. Attrition goals are thus a maximum rate or ceiling, which the various Reserve Components try not to exceed. The data show all of the Reserve Components achieving enlisted attrition rates below these ceilings for FY2004 (see **Table 6**). For the first seven months of FY2005, the data show a slightly higher rate of attrition for the Army National Guard and the Naval Reserve when compared to the same time period in 2004 and 2000.<sup>28</sup> Nonetheless, the Naval Reserve is on track to finish the year well below its attrition ceiling, and the Army National Guard is on track to finish the year very close to its attrition ceiling. However, given the declining end-strengths of the Army Reserve and Army National Guard, it may well be insufficient for them to simply stay under their traditional attrition ceilings if they hope to restore their personnel strengths to congressionally authorized levels.

## Analysis

The fact that retention for the Active and Reserve Components has remained generally strong in recent years may seem counter-intuitive, given the high operational tempo and large scale reserve mobilizations that have occurred since September 11, 2001, and especially since the invasion and occupation of Iraq. However, a number of studies conducted in the late 1990s indicate that deployments can enhance retention, perhaps by providing participants with a sense of accomplishment.<sup>29</sup> However, some of these studies also indicate that after a certain

---

<sup>27</sup> As a result of stop-loss policies and high retention rates, the Air Force exceeded its authorized end-strength in FY2004 by 17,316. In FY2005, it is trying to reduce its personnel strength to bring it in line with authorized levels. As such, it has adjusted its accession and retention goals to decrease its strength. See Department of the Air Force, *Fiscal Year 2006/Fiscal Year 2007 Budget Estimates*, February 2005, p. 4, 8; David Jablonski, “Force Shaping Opportunities Expand in 2005,” *Air Force Print News*, October 7, 2004.

<sup>28</sup> It should be pointed out, however, that the attrition rates from the Army Reserve and Army National Guard are skewed downward by their stop-loss policies, which prevent soldiers alerted for mobilization or deployed from leaving the military until after their deployment is completed.

<sup>29</sup> See for example James Hosek and Mark Totten, *Does Perstempo Hurt Reenlistment? The Effect of Long or Hostile Perstempo on Reenlistment*, RAND, 1998; Paul Sticha, Paul Hogan and Maris Diane, *Personnel Tempo: Definition, Measurement, and Effects on Retention, Readiness and Quality of Life*, Army Research Institute, 1999; Peter Francis, *OPTEMPO and Readiness*, Center for Naval Analysis, 1999; and Paul Hogan and Jared (continued...)

threshold level, this positive effect diminishes or becomes negative. Additionally, these studies focused on retention behavior during the 1990s, when the deployments were generally shorter and less hostile than at present.

Some survey data have raised concerns about future retention rates. For example, a DoD sponsored survey conducted showed that respondents' intention to remain on active duty has remained fairly stable for those in the Navy and Air Force between March, 2003 and August, 2004. However, during this same time frame, "retention intention" dropped from 59% to 52% for respondents in the Army and from 53% to 46% for those in the Marine Corps.<sup>30</sup> A similar study of Reserve Component personnel showed that respondents' intention to stay in the reserves has remained fairly stable from May 2003 to November 2004 for those in the Air National Guard, Air Force Reserve, Marine Corps Reserve, and Naval Reserve. However, "retention intention" during this period dropped from 70% to 58% among respondents in the Army National Guard, and from 69% to 57% among those in the Army Reserve.<sup>31</sup>

## Options for Congress

Congress has a number of options to address shortfalls in recruiting and retention. The traditional policy levers used by Congress and DOD include increasing funding for advertising, increasing the number of recruiters, and providing larger enlistment and re-enlistment bonuses. Some have also argued that the high operational tempo must be reduced in order to bolster current recruiting efforts and to prevent retention problems in the future. To facilitate this, they have advocated either increasing the size of military — especially the Active Component Army and Marine Corps — or reducing the U.S. military presence in Iraq and other places. Others have advocated reinstating the draft, something which would require congressional action to implement. Opponents of the draft, however, argue that it even if it were politically feasible, conscription would not generate the type of highly motivated and highly trained individuals which the military has come to rely on.<sup>32</sup> Those particularly concerned about Reserve Component recruiting and retention often urge a reduction in the number of reserve personnel deployed to places like Iraq or a shortening of the duration of reserve mobilizations for those who do get called up; doing so, however, could put additional strains on Active Component forces.

---

<sup>29</sup> (...continued)

Lewis, *Voluntary Enlisted Retention and PERSTEMPO: An Empirical Analysis of Army Administrative Data*, The Lewin Group.

<sup>30</sup> Defense Manpower Data Center, Human Resources Strategic Assessment Program, Note No. 2004-014, "August 2004 Status of Forces Survey of Active Duty Members: Leading Indicators."

<sup>31</sup> Defense Manpower Data Center, Human Resources Strategic Assessment Program, Note No. 2005-002, "November 2004 Status of Forces Survey of Reserve Component Members: Leading Indicators."

<sup>32</sup> See CRS Report RL31682, *The Military Draft and a Possible War with Iraq*, by Robert Goldich, for a more detailed discussion of arguments for and against a draft.

**Table 1: Accession Data (Quantity) for Active Component  
Enlisted Personnel, FY2004 and FY2005<sup>33</sup>**

Service	FY2004 (Goal)	FY2004 (Achieved)	FY2004 (Percent of Goal)	FY2005 (Goal)	FY2005 Oct-May (Goal)	FY2005 Oct-May (Achieved)	FY2005 Oct-May (Percent of Goal)
Army	77,000	77,586	101%	80,000	49,285	40,964	83%
Navy	39,620	39,871	101%	38,500	18,440	18,456	100%
Marine Corps	30,608	30,618	100%	33,052	16,935	17,241	102%
Air Force	34,080	34,361	101%	18,900	8,968	9,047	101%

**Table 2: Accession Data (Quality) for Active Component  
Enlisted Personnel, FY2004 and FY2005 (Non-Prior Service  
Enlistees only)<sup>34</sup>**

Service	DOD Quality Benchmarks		FY2004 (Achieved)		FY2005 Oct-May (Achieved)	
	HSDG	AFQT CAT I-III A	HSDG	AFQT CAT I-III A	HSDG	AFQT CAT I-III A
Army	90%	60%	92%	72%	89%	72%
Navy	90%	60%	96%	70%	96%	71%
Marine Corps	90%	60%	97%	69%	98%	69%
Air Force	90%	60%	99%	82%	99%	79%

HSDG: High School Diploma Graduate  
 AFQT: Armed Forces Qualification Test  
 CAT I-III A: Categories I-III A (above average scores)

<sup>33</sup> Data provided by the Department of Defense. Past recruit quantity data available at [<http://www.dod.mil/prhome/docs/numgoals04.pdf>].

<sup>34</sup> Data provided by the Department of Defense. Past recruit quality data available at [<http://www.dod.mil/prhome/docs/recqual04.pdf>]. HSDG data for the Army may omit up to 4,000 participants in the GED+ program. GED+ is an experimental program which allowed high-school dropouts with exceptionally high scores on the AFQT to complete their General Educational Development (GED) credential and then enlist in the military. The GED+ program was ended during FY2004.

**Table 3: Recruiting Data (Quantity) for Reserve Component Enlisted Personnel, FY2004 and 2005<sup>35</sup>**

Reserve Component	FY2004 (Goal)	FY2004 (Achieved)	FY2004 (Percent of Goal)	FY2005 (Goal)	FY2005 Oct-May (Goal)	FY2005 Oct-May (Achieved)	FY2005 Oct-May (Percent of Goal)
Army National Guard	56,002	48,793	87%	63,002	39,957	30,252	76%
Army Reserve	32,275	32,699	101%	28,485	16,143	11,891	74%
Naval Reserve	10,101	11,246	111%	12,600	7,397	6,484	88%
Marine Corps Reserve	8,087	8,248	102%	8,538	5,139	5,154	100%
Air National Guard	8,842	8,276	94%	10,361	6,866	5,492	80%
Air Force Reserve	7,997	8,904	111%	8,162	5,001	5,831	116%

**Table 4: Recruiting Data (Quality) for Reserve Component Enlisted Personnel, FY2004-2005 (Non-Prior Service Only)<sup>36</sup>**

Reserve Component	DoD Quality Benchmarks		FY2004 (Achieved)		FY2005 Oct-May (Achieved)	
	HSDG	AFQT CAT I-III A	HSDG	AFQT CAT I-III A	HSDG	AFQT CAT I-III A
Army National Guard	90%	60%	84%	57%	83%	57%
Army Reserve	90%	60%	91%	70%	90%	70%
Naval Reserve	90%	60%	96%	71%	91%	84%
Marine Corps Reserve	90%	60%	95%	78%	95%*	74%*
Air National Guard	90%	60%	n.a.	79%	n.a.	n.a.
Air Force Reserve	90%	60%	91%	73%	90%	72%

\*Quality data for Marine Corps is through April, 2005.

<sup>35</sup> Data provided by the Department of Defense.

<sup>36</sup> Data provided by the Department of Defense.

**Table 5: Active Component Enlisted Retention Data, FY2004 and FY2005<sup>37</sup>**

Service/ Retention Category	FY2004 (Goal)	FY2004 (Achieved)	FY2004 (Achieved Compared to Goal)	FY2005 Oct-May (Goal)	FY2005 Oct-May (Achieved)	FY2005 Oct-May (Achieved Compared to Goal)	FY2005 (Total Goal)
<b>Army<sup>38</sup></b>							
Initial Term	23,000	24,903	108%	18,700	17,579	94%	26,935
Mid Career	20,292	21,120	104%	16,364	15,834	97%	23,773
Career	12,808	13,987	109%	9,208	11,920	129%	13,454
<b>Navy<sup>39</sup></b>							
Zone A	56%	54.1%	-1.9 pts.	53%	59%	+6 pts	53%
Zone B	70%	70.2%	+0.2 pts.	69%	67%	-2 pts	69%
Zone C	85%	86.9%	+1.9 pts.	85%	86%	+1	85%
<b>Air Force<sup>40</sup></b>							
1st Term	55%	63%	+8 pts.	55%	58%	+3 pts	55%
2nd Term	75%	70%	-5 pts.	75%	57%	-18 pts	75%
Career	95%	97%	+2 pts.	95%	95%	Met	95%
<b>Marine Corps<sup>41</sup></b>							
1st term	5,990	6,011	100%	3,960	5,689	144%	5,949
Subsequent	5,628	7,729	137%	3,384	4,943	146%	5,079

<sup>37</sup> Data provided by the Department of Defense.

<sup>38</sup> The Army tracks retention rates in three categories: initial term (serving in first enlistment, regardless of length), mid-career (second or subsequent enlistment with less than ten years of service), and career (second or subsequent enlistment with ten or more years of service). It states its retention goals in terms of raw numbers.

<sup>39</sup> The Navy's most important retention categories are Zone A (up to six years of service), Zone B (6 years of service to under 10 years of service) and Zone C (10 years of service to under 14 years of service). It also has a Zone D (14 years of service to under 20 years of service) and Zone E (20 years of service or more), but these are less critical due to the high retention rates for Zone D, and the way in which retirement impacts retention decisions for Zone E. It states its retention goals in terms of the percentage of those eligible to re-enlist.

<sup>40</sup> The Air Force tracks retention rates in three categories: first term (serving in first enlistment, regardless of length), second term (second enlistment), and career (third or subsequent enlistment). The Air Force sets retention goals as a percentage of those eligible to re-enlist.

<sup>41</sup> The Marine Corps tracks retention rates in two categories: first term (serving in first enlistment) and subsequent (second or subsequent enlistment). The Marine Corps' retention goal is stated in numerical terms. The year to date goal is based on prorated projections of their annual goal by the Office of the Secretary of Defense, as the Marine Corps does not set quarterly or monthly retention goals.



**Table 6: Reserve Component Enlisted Attrition Data for FY2004 and 2005<sup>42</sup>**

<b>Reserve Component</b>	<b>FY2004 (Ceiling)</b>	<b>FY2004 (Achieved)</b>	<b>FY2005 (Ceiling)</b>	<b>FY2000 Oct-Apr (Achieved)</b>	<b>FY2004 Oct-Apr (Achieved)</b>	<b>FY2005 Oct-Apr (Achieved)</b>
<b>Army National Guard</b>	19.5%	18.6%	19.5%	11.6	11.1	12.5
<b>Army Reserve</b>	28.6%	22.6%	28.6%	16.6	12.5	13.1
<b>Naval Reserve</b>	36.0%	28.2%	36.0%	17.3	17.4	18.0
<b>Marine Corps Reserve</b>	30.0%	26.4%	30.0%	16.2	16.0	11.1
<b>Air National Guard</b>	12.0%	11.5%	12.0%	7.1	7.6	6.1
<b>Air Force Reserve</b>	18.0%	13.6%	18.0%	10.5	8.1	8.4

---

<sup>42</sup> Data provided by the Department of Defense.